

Message Text

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TAGS: PINT DA
SUBJ: CENTER-RIGHT PARTIES AGREE IN SUPPORT OF ECONOMIC PACKAGE
ACCEPTABLE TO SOCIAL DEMOCRATS

REF: COPENHAGEN 5300

SUMMARY. THE SPECIAL SESSION OF THE FOLKETING, WHICH CONVENED ON
AUGUST 22 TO DEAL WITH DENMARK'S ECONOMIC SITUATION, HAS PRO-
DUCED AN AGREEMENT WHICH WON THE SUPPORT OF THE LIBERAL, CONSERV-
ATIVE AND RADICAL PARTIES AND THE GOVERNING SOCIAL DEMOCRATS AS
WELL. THE CHRISTIANS AND CENTER DEOMCRATS, PARTIES TO THE
"COMPROMISE" OF AUGUST 1976 ARE NOT INCLUDED IN THE NEW MAJORITY
AGREEMENT ALTHOUGH THEY MAY WELL SUPPORT IT. THE NEW-FOUND UNITY
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OF THE THREE CENTER-RIGHT PARTIES IS A RESPONSE TO THE IMPATIENCE
OF THE DANISH ELECTORATE WITH WHAT IT CONSIDERS IRRESPONSIBLE
POLITICAL BEHAVIOR AS REFLECTED IN FOUR NATIONAL ELECTIONS IN
SOMEWHAT OVER SIX YEARS. WHETHER OR NOT THE NEW ALLIANCE PROVES
DURABLE ONLY TIME WILL REVEAL BUT THERE IS A PROSPECT FOR A MORE
SOLID BASIS OF SUPPORT FOR MODERATE MEASURES IN THE FOLKETING.
END SUMMARY.

1. THE SPECIAL SESSION OF THE FOLKETING TO DEAL WITH THE DANISH ECONOMY IS NOW EXPECTED TO ADJOURN SEP 5 AFTER ADOPTION OF A NEW FISCAL RESTRAINT AND EMPLOYMENT INCENTIVE PROGRAM. THE SESSION, WHICH BEGAN AUG 22 AND WAS INITIALLY SCHEDULED TO LAST ONLY ONE WEEK, WAS EXTENDED BECAUSE THE PARTIES TO THE AUG COMPROMISE OF 1976 (SOCIAL DEMOCRATS, CENTER DEMOCRATS, CHRISTIANS AND RADICALS WITH CONSERVATIVE SUPPORT AND LIBERAL ACQUIESCENCE BUT NOT PARTICIPATION) COULD NOT AGREE ON THE ECONOMIC MEASURES TO BE TAKEN, THUS MAKING PROTRACTED INTER-PARTY NEGOTIATIONS NECESSARY.

2. THE PARTIES TO THE 1976 ECONOMIC COMPROMISE DECLARED THEIR AGREEMENT OF THAT TIME TERMINATED AFTER DIFFERENCES AROSE OVER A GOVERNMENT PLAN TO TAX IMPUTE CAPITAL GAINS ON REAL PROPERTY AND PLACE A ONE-TIME TAX ON MEDIUM TO HIGH INCOMES. THE SMALL CHRISTIAN PARTY AND THE CENTER DEMOCRATS WERE EXCLUDED FROM THE FINAL DISCUSSIONS LEADING TO AGREEMENT BECAUSE OF DIFFERENCES WITH THE SOCIAL DEMOCRATS ON THESE AND OTHER ISSUES OF IMPORTANCE TO THEM. PRIME MINISTER ANKER JORGENSEN DEALT WITH THE LIBERALS, CONSERVATIVES AND THE RADICALS DURING THE LAST WEEK TO BUILD A FOLKETING MAJORITY IN FAVOR OF THE PACKAGE WHICH IS NOW CERTAIN TO BE ADOPTED SEP 5.

3. ALTHOUGH THERE HAD BEEN PRESS COMMENT ON A CONSERVATIVE PROPOSAL TO RESHAPE THE GOVERNMENT TO INCLUDE REPRESENTATIVES OF LIMITED OFFICIAL USE

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THE LIBERAL, CONSERVATIVE AND RADICAL PARTIES, IT IS DOUBTFUL THAT SUCH AN OPTION WAS SERIOUSLY CONSIDERED BY THE PRIME MINISTER GIVEN THE OPPOSITION CERTAIN TO BE ENCOUNTERED WITHIN HIS OWN PARTY AND IN THE TRADE UNIONS. WHAT IS SIGNIFICANT IS THAT A NEW UNITY HAS BEEN FOUND AMONG THE THREE CENTER-RIGHT PARTIES WHICH COMBINED TO FORM A GOVERNMENT FROM 1968 TO 1971 BUT WHICH HAVE NOT BEEN ABLE TO WORK TOGETHER VERY EFFECTIVELY SINCE THEN.

4. NOW, THERE IS APPARENTLY RECOGNITION THAT COOPERATION IN TERMS OF THE OLD PARTY ALLIANCE IS NECESSARY TO PROVIDE STABILITY AND MODERATION TO GOVERNMENT IN A DENMARK FACED WITH CONTINUING, GRAVE ECONOMIC PROBLEMS. AND STABILITY AND RESPONSIBILITY IS WHAT THE DANISH VOTERS CRAVE. FOUR NATIONAL ELECTIONS IN A LITTLE OVER SIX YEARS, NONE OF WHICH PRODUCED STARTLING CHANGE OR REAL SOLUTIONS TO DENMARK'S DIFFICULTIES, HAVE MADE THE DANISH VOTER INTOLERANT OF PROPOSALS FOR MORE ELECTIONS AND INSISTENT ON STEADY, MODERATE PARLIAMENTARY BEHAVIOUR. NOT ONLY THE THREE PARTIES OF THE CENTER-RIGHT RESPONDED TO THIS NATIONAL MOOD; THE SOCIAL DEMOCRATS DID SO TOO AND, TOGETHER, THE FOUR PARTIES HAVE REACHED AGREEMENT. WHETHER OR NOT THIS NEW ATMOSPHERE WILL CONTINUE OR NOT AND FOR HOW LONG ONLY TIME WILL REVEAL, BUT THERE

IS A PROSPECT FOR A MORE SOLID BASIS OF SUPPORT FOR MODERATE MEASURES IN THE FOLKETING WHEN IT RECONVENES IN OCTOBER.
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Sent Date: 02-Sep-1977 12:00:00 am
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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